

## **CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

### **Public Benefit Analysis**

#### **Small-Issue Industrial Development Bond Programs and Projects**

##### **January 16 and March 16, 2005 Allocation**

Small-Issue Industrial Development Bonds (IDBs) are tax-exempt private activity bonds that are issued through state and local governmental agencies to assist manufacturing facilities finance capital expenditures. Today, most IDBs support expansions of existing manufacturing. IDBs offer considerable interest rate savings to small and midsize manufacturers in contrast to conventional loans. When used by manufacturers, IDBs serve to retain and create new jobs within their communities.

The California Debt Limit Allocation Committee (“Committee”) is responsible for administering California’s annual tax-exempt private activity bond program, known as “the annual State ceiling”. For calendar year 2005, California’s State ceiling is \$871 billion. Each year the Committee divides the annual State ceiling among several bond programs, known as “Program Pools”, including the Small-Issue Industrial Development Bond Project Pool. For calendar year 2005, the Committee reserved \$50 million, or 1.7%, of the State ceiling for the IDB Project Pool. The \$50 million of bond authority will be allocated throughout the 2005 program year.

The Committee awarded \$25 million to the Small Business Program on January 16, 2005 and \$9.025 million to Small-Issue Industrial Development Bond Projects on March 16, 2005 for a total allocation to date of \$34 million. This represents 68% of the \$50 million IDB Project Pool and 1.2% of the 2005 \$2.871 billion State ceiling.

The Small Business Program funds small businesses on an ongoing basis throughout the year. In awarding the \$25 million of allocation to the California Industrial Development Financing Advisory Commission (CIDFAC), the Committee authorized CIDFAC to transfer portions of the allocation to local issuers and the California Infrastructure and Economic Development Bank (I-Bank) for purposes of issuing bonds under the Program on behalf of qualified Small Businesses. CIDFAC, local issuers and/or I-Bank will have until mid-December 2005 to issue bonds. Any unused allocation will revert back to the Committee to reallocate to other programs.

The two Small-Issue Industrial Development Bond projects funded on March 16, 2005 will create a total of 37 new jobs and retain a total of 83 existing jobs in Los Angeles County. Of these, 15 new and 25 retained jobs are in the City of Vernon and 22 new and 58 retained jobs are in the City of Santa Fe Springs. The new jobs will produce a weighted average hourly wage of \$20.61.

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**January 16, 2005 Allocation Summary**

<b>Program Pool</b>	<b>Allocation Amount</b>	<b>Number of Projects</b>	<b>Number of New Mngmt Jobs</b>	<b>Number of New Skilled and Semi-Skilled/Jobs</b>	<b>Number of New Unskilled Jobs</b>	<b>Total Number of New Jobs Created</b>	<b>Weighted Average Hourly Wage</b>	<b>Total Number of Jobs Retained</b>
<b>Small Business Program Pool</b>	<b>\$17,000,000</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>
<b>TOTALS</b>	<b>\$17,000,000</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>	<b>TBA</b>

**March 16, 2005 Allocation Summary**

<b>Program Pool</b>	<b>Allocation Amount</b>	<b>Number of Projects</b>	<b>Number of New Mngmt Jobs</b>	<b>Number of New Skilled and Semi-Skilled/Jobs</b>	<b>Number of New Unskilled Jobs</b>	<b>Total Number of New Jobs Created</b>	<b>Weighted Average Hourly Wage</b>	<b>Total Number of Jobs Retained</b>
<b>Small-Issue Industrial Development Bond Project Pool</b>	<b>\$5,100,000</b>	<b>1</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>\$22.10</b>	<b>125</b>
<b>TOTALS</b>	<b>\$5,100,000</b>	<b>1</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>\$22.10</b>	<b>125</b>

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**March 16, 2005 Allocation Benefits**

<b>Program Pool</b>	<b>Applicant/ Issuer</b>	<b>Allocation Amount</b>	<b>Project Name</b>	<b>Project City</b>	<b>Project County</b>	<b>Located within a Distressed Community</b>	<b>Number of New Mngmt Jobs</b>	<b>Number of New Skilled and Semi-Skilled Jobs</b>	<b>Number of New Unskilled Jobs</b>	<b>Total Number of New Jobs Created</b>	<b>Weighted Average Hourly Wage</b>	<b>Total Number of Jobs Retained</b>
<b>Small-Issue Industrial Development Bond Project Pool</b>	<b>California Infrastructure &amp; Economic Development Bank</b>	<b>\$5,100,000</b>	<b>McCain Traffic Supply-Vista Facility</b>	<b>Vista</b>	<b>San Diego</b>	<b>No</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>\$22.10</b>	<b>125</b>